

SENATE BILL 682

By Cooper

AN ACT to repeal Tennessee Code Annotated, Section 56-6-201 through Section 56-6-204, relative to the sale of insurance.

WHEREAS, the United States Supreme Court, in *Barnett Bank of Marion County, NA. Bill Nelson, Florida Insurance Commissioner*, 517 US 25, 116 S.Ct.1103 (1996), held that federal laws allowing national banks to offer insurance agency services preempted a Florida statute (the "anti-affiliation statute") which limited the ability of banks and bank holding companies in that state to offer general insurance agency services to their customer;

WHEREAS, the Gramm-Leach-Bliley Act, Public Law 106-102, removed the barrier separating various financial services providers, including banks, insurance companies and securities broker/dealers, to permit cross ownership and sales of products in the financial area by all providers;

WHEREAS, Tennessee law retains an "anti-affiliation statute" (TCA, Sections 56-6-201 through 56-6-204) which on its face limits the ability of banks in Tennessee owned by bank holding companies to provide insurance agency services to their customers;

WHEREAS, Tennessee's statute is contrary to federal law and is obsolete; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

Section 1. Tennessee Code Annotated, Sections 56-6-201 through 56-6-204 are repealed.

This act shall take effect upon becoming a law, the public welfare requiring it.